

**MINUTE BOOK XXVIII, PAGE 99-104
CALLED MEETING OF THE TROUTMAN TOWN COUNCIL
NOVEMBER 19, 2019**

A Special Meeting of the Troutman Town Council was held in the Troutman Town Hall, 400 North Eastway Drive, North Carolina on Thursday, November 19, 2019 at 4:00 p.m. with the Mayor Teross W. Young, Jr. presiding.

Council Members Present: Mayor Teross Young, Jr.; Paul Henkel, Paul Bryant, Janith Huffman, Sally Williams

Council Members Absent: Judy Jablonski

Staff Present: James Freeman, Interim Town Manager; Kimberly H. Davis, Town Clerk; Steven H. Shealy, Finance Director; Gary W. Thomas, Town Attorney

Press Present: Debbie Page, SVL Free News
Megan Suggs, Record and Landmark

ITEM 1. MAYOR YOUNG CALLED THE MEETING TO ORDER

- **Mayor Young welcomed visitors and guest.**
- **Agenda Adjustments and Approval**

Upon motion by Council member Huffman, seconded by Council member Bryant, and unanimously carried, the November 19, 2019 Meeting Agenda was approved as presented.

ITEM 2. PROPOSED ALL-COUNTY FIRE SERVICE DISTRICT

Interim Town Manager James Freeman stated that Mr. Kent Greene, Director of Iredell County Fire Services and Emergency Management is here to present an overview of the proposed All-County Consolidated Fire District in efforts to bring Council up to date. He stated that Council was just recently aware of the proposal during the last few months. In preparation of this evening's presentation, staff met on November 12th with Fire Chief Morris and Director Green to address questions and concerns.

Director Greene explained that the County Commissioners want to make sure that fire funding is sustainable for the future of Iredell County. The county is changing and volunteerism is on the decline causing departments to hire part-time personnel. With 4 voting tax districts and the countywide tax district, hundreds of funding options, ideas, and etc. have been weighted resulting in the proposal of creating an overlay (All-County Service District) that would fully fund for fire protection for all parts of Iredell County outside of Mooresville and Statesville. Statutorily for a municipality to be included in a County service district, a Resolution is required by the governing body. He continued to state that this proposal is not something that happened overnight. An email went out to all managers in August making them aware of the proposal along with conversations held with the town's previous manager regarding the proposal/request. Mr. Greene stated that the previous manager attended a meeting with all Fire Chiefs on March 18, 2019. The intent is not to diminish funding for any particular organization. They realize that Troutman is unique as a fire department because of the growth, size and the call volume it runs and thus far more service demanding than any other department in the county.. They worked hard to get their tax district in 2008 so that they are assured a certain level of funding. The County does not intend nor desire to change

Troutman's Fire Department operationally, but simply provide funding in exchange for their service. He stated that the tax revenue (at the current rate of 7.5 cent) generated inside Town limits is approximately \$397,000 annually; total revenue for the B&F District was 1.8 million for this fiscal year. The All-County Service District is proposing to take the rate to 9 cent countywide outside of Mooresville and Statesville which would not only fund the operations of the 14 Fire Departments inside the county and well as the 5 out of county department that provide services inside Iredell County, it establishes 3 different funds: 1) replacement of apparatus without incurring any additional debt; 2) equipment fund; 3) funding for communications (moving toward a new 800 megahertz viper system). If the Town decides to be a part of the All-County system, nothing would change except the tax rate inside the Town from 7.5 cents to 9 cents trying to make the county sustainable where if any part of the county grows all departments benefit. Resolutions were requested from the municipalities Davidson, Troutman, Harmony, Love Valley. Mr. Greene stated that Davidson declined and will continue to be funded on their own. They have Harmony's resolution and are awaiting Love Valleys and Troutman. Council member Williams asked if a resolution was received from Union Grove. Mr. Greene responded they did not since Union Grove is not incorporated.

Mayor Young opened up the floor for question from Council.

- . Council member Henkel asked who determines how the funds are allocated and/or controlled. Mr. Greene responded: it would be no different under this model than presently done. Ultimately it is the decision of the Board of Commissioners who sit as the Board of the Service District and B&F Tax District. He stated that he has been working with the Chiefs this year on prioritizing of needs order to begin the planning process. He will make recommendations to the County Commissioners. In moving forward in regards to the equipment, he plans to form a subcommittee of the Chiefs to flush out items needed and streamline it so that departments do not have to worry about purchasing their equipment, insurance, etc.; all they would need to concentrate on is staffing.
- . Council member Bryant questioned the flat recommended total funding for FY 2020 for Troutman. Mr. Greene responded that the intent is for Troutman not to be flat; he does not have the information regarding Troutman's operational funds or building debt. Once he knows Troutman's apparatus and facility debt, then he can make a recommendation for next year's funding which would be an increase over what they currently receive. Direction from the County Commissioners is that no one will go backwards, everyone will move forward.
- . Mayor Young asked that if in 5 years Troutman decided they want to operate as their own fire district again, what would be the recourse. Mr. Greene stated as he understands the statute, the municipality is well within its right to create a municipal fire department. Then the Town would be responsible for funding fire protection inside the Town and the remainder of the service district would to be contracted back to the Town for continued fire protection.
- . Council member Bryant asked if the Town decides to move forward as recommended, and in a couple of years want out; how could the Town opt out. Mr. Green replied that the only thing it would change would be the taxation within the Town limits and stated that he is unsure of the legal process that would be needed. He explained that every property owner has to be notified that an All-County Service District is being created, but is unclear if the same process would be required to leave the All-County Service District or simply a resolution by the governing body would be all that is needed. Troutman would then have to figure out how to fund the fire protection within the Town. Council member Bryant quoted NCGS stating that 100% of all property owners have to petition/vote to be removed. Interim Town Manager Freeman stated that the petition requirement relates to outside the corporate limits; the Town has complete authority inside Town limits.
- . Interim Town Manager Freeman asked for clarity regarding the timeline for receiving the Resolution. Mr. Greene noted that the county has to give a 4 week written notice to every property owner before the County Commissioners January 20, 2020 Public Hearing, therefore the November 30st deadline is

critical. County Manager Beth Jones stated that everything is tied in with the tax office and when tax notices go out. Ms. Jones also advised that directly following the Public Hearing, she as staff will be recommending that the commissioners move forward with the proposal.

- . Council member Henkel expressed concern of past practices. Mr. Greene commented that there was no plan or coordination in the past; now there is a plan moving forward based on development and growth. They know roughly what the evaluations will be over the next 10 to 15 years, and know roughly what the revenues will be based on the evaluations. The County worked hard to gather all the data necessary to develop the base funding in this current fiscal year addressing staffing, operations, service demand, area and population served, number of residential structures, and commercial structures, etc. in order to not repeat the mistakes of the past. He continued by stating that a plan is in place, but it is only as good as the paper it is written on; there has to be input, involvement, and oversight, and he feels they have addressed those.
- . Council member Huffman asked how Mr. Green foresees this effecting ISO rating. Mr. Green responded that it will not impact the rating what-so-ever. Most departments in the county have a rating of 6 or below and he does not see that changing. North Carolina is one of the few states that still requires insurance companies to consider ISO when determining homeowner and commercial coverage. Operationally, everything will continue as normal.

ITEM 3. TROUTMAN FIRE DEPARTMENT

Troutman Fire Chief Wesley Morris addressed Council by first presenting a brief background of the established of the Troutman Fire Tax District stating that approximately 10 years ago the Troutman Fire Department Board of Directors and its members felt the need to request for a voted in fire tax district from the Iredell County Commissioners. There were countless hours spent obtaining and verifying signatures to get this voted in fire tax district awarded to the Troutman Fire Department. The department felt that a voted in fire tax district would be the best way to maintain a good funding flow to supply the current needs for maintaining a fire department with resources needed to best serve the community as well as a way to request additional funding for future needs and resources in order to keep up with the continuing growing demands. This plan has worked up to this point and will continue to work for Troutman Fire Department in the future. He stated that Troutman Fire Department submits a detailed budget to the County for approval and up to this point apparatus has been purchased out of that funding. The new building and building repairs is out of funding from the fire tax. Chief Morris commented that we have heard from several County Commissioners, the County Manager, the Emergency Services Coordinator as well as others say that Troutman Fire Department is a unique situation and of how we operate; being that we have a district that services county and town (municipality) citizens and property. We would all agree that our service district is rapidly growing in many ways in the county district, and in our town district. With growth comes more residents, more structures, more traffic, etc., generating a greater call volume of incidents (medical, fire, and/or rescue) for our service district. This raises the department's concerns about needs and demands, and the ability to meet those demands and maintain them as rapidly and the Town is growing and is going to grow. Chief Morris continued commenting that it has already been said that volunteerism which has been so successful for so many years is on a decline and yet with growth, call volume are on an incline. Paid personnel around the clock is going to be an ongoing need for Troutman Fire Department and its district. He also voiced issues of concern regarding priority as part of being in an All-County Fire Tax District that include: equipment and apparatus replacement priorities; and the need for additional fire stations due to growth and an increase in call volume to have personnel and equipment more localized for response. In conclusion, Troutman Fire Department as well as its Board of Directors feel that it is in the department's best interest, as well as our desire, to continue to operate under the existing plan with the Voted-in Fire Tax District. This continues to provide the funding to serve the citizens of the B&F Fire District as well as the Town of Troutman Fire District.

- . Council member Williams asked Chief Morris that with the continued future growth that is expected, and with the tax rate at 7.5 cent, how you perceive that will help the department if you do not go with the All-County Fire Tax District. Chief Morris responded that the revenue that will come from the growth itself will continue to help the department maintain and based on the growth, it will help the department to grow even more.
- . Council member Bryant commented that the Troutman Fire Department has done an exceptional job and is looked at across the county as a model that other fire departments want to emulate. The department has been very effective in managing the day to day activity/call volume at the 7.5 cent rate verses other departments that are at 9 cents. It is troublesome to think that while the department has done such a good job in managing funds that we would ask our residents to take an increase out of their pockets to become a part of this All-County Fire Service District not knowing where those funds are going to be distributed.
- . Council member Henkel asked Mr. Greene if the Town could opt-in after so many years. Mr. Green responded that he does not know, but assumes it would be possible. Public notice now has to go out to all town residents, and he assumes the same would apply then, but at the Town's expense. Attorney Gary Thomas stated that the county would have to agree to annex Troutman into the countywide system.
- . Council member Huffman asked if the entire B&F District could be left out of the current proposal. Mr. Green stated that the Board of Commissioners could make that decision.
- . Town Attorney Gary Thomas stated that the issue on the table is to include the incorporated Town in the All-County system and there is a possibility that Troutman could agree or not agree to be included, but the County Commissioner could require the rest of the B&F District to be included in the countywide district. Mr. Green stated yes, it is completely within the commissioner's digression. Attorney Thomas advised that at that point Troutman would be an island and would have to contract with the B&F District for service or establish your own Fire Department. It was asked if the Town would set its own tax rate. Attorney Thomas stated the Town would increase property taxes and be funded out of the general fund.
- . Discussion was held regarding the budget approval process with Mr. Greene explaining that going forward, in the countywide district budget, they have built in a 2, 3, or 4 percent annual increase.
- . Mr. Green commented that the rescue district is completely different from the B&F District. Rescue is not funded through the tax district, but through general funds.
- . Council member Henkel commented that a statement was made that it is a possibility that if the Town did not sign-on to the countywide or leave as is, or could they could pull away outside Town limits all the other volunteer fire department leaving Troutman Fire Department to only service within the Town limits, asking Mr. Greene if the Commissioners would go that far. Mr. Greene stated that it is his impression that the commissioners have been working on this plan for a number of years and if they would have been able to meet the statutory time limits on the notice of Public Hearing, they would have implemented the plan last year. The commissioners feel this is the best plan for the entirety of the county long term, and if the Town of Troutman chooses not want to be included, the B&F will fall under of the All-County Service District, and the B&F rate will go to zero. It is not to say they will leave the Town out to dry; the commissioners still know that fire protection has to be provided inside the Town limits and Troutman Fire Department would be willing to provide that service; it is just the matter of how that service will be funded.
- . Interim Town Manager Freeman inquired about a comment regarding as long as debt service is involved, the tax district cannot be eliminated. Mr. Green stated that is one of the reasons they are not abolishing the district; they do know there is debt service involved and there is money still in their reserve accounts that are tied to the B&F District for use by Troutman Fire Department; the whole B&F district rate will be set at zero and the debt service will be paid through the All-County tax district. If

the Town chooses not to be included in the service district everything outside Town limits could be at 9 cent and the Town would have to either levy an additional tax to make up the difference in the revenue of what is generated in the Town verses the revenue generated in the rural parts of the B&F district.

Mayor Young asked what happens with personnel if the Town goes with the All-County Tax District. Mr. Greene stated nothing changes. They would still receive funding as they do today plus additional funding as they move forward. The intent of the plan is to meet the needs of the department moving forward knowing the service has to grow with the development.

ITEM 4. COUNCIL OPEN ISSUE DISCUSSION

Interim Town Manager presented the following options to be considered by Council:

- Concur with All-County Fire District inclusion; or
- Pursue establishment of a Town Fire Department (Council would have to consider funding/cost); or
- Town financially contributes to Troutman Fire Department while not included in the All-County Fire Tax District through the existing contract (Council would have to consider funding/cost).

At this time, Mr. Freeman called upon Financial Director Steven Shealy to present estimates regarding options presented. Mr. Shealy stated that if Council adopts inclusion in the County's plan, all funds are out of the Town's hands. If the Town opts out, there are two further options:

- Use the existing contract and pay a pro-rated portion of the operating expense and the All-County Fire District pays the balance. In review of the B&F Fire District 2019 tax valuation, which changes year to year as growth happens, the Town is currently a little over 21% of the current valuation of which the Town would have to provide for the cost to operate Troutman Fire and Rescue. Based on their current budget of 1.86 million this would equate to \$395,800. Since a penny of tax brings in approximately \$55,000, this would mean a 7.2 cent tax increase to fund the Town's share. Town citizens are already paying 7.5 cent fire tax; therefore, it is essentially a wash and the citizens would not see any difference in cost; or
- Troutman Fire and Rescue become a Municipal Fire Department where the Town would take on their whole budget and the department would become Town employees; all equipment would be Town owned and operated equipment. The Town would then contract with the county to provide service in the outlining areas. The numbers would be roughly the same, 79% would be paid to the Town out of the All-County District. In taking on a Municipal Fire Department, it would be a big impact to the Town's budget although there will be offsetting revenue. As Town employees there may be some incidental changes to their budget such as salaries may need to be adjusted to correlate to our recently adopted pay plan; they would be receiving retirement, 401K, and insurance. The Town's liability and workers comp and similar cost would increase. Involvement of staff time would increase as well as an increase in processing payroll, accounts payable, phone calls, budget process, etc.

In closing, Finance Director Shealy commented that it is his opinion to have a qualified 1 party to provide a more detailed assessment of taking over the Fire Department financial impact on the Town.

Mr. Green stated that the 1.8 million is inclusive of their debt service for their facility.

Interim Town Manager Freeman commented that since Troutman is a small Town and growing, Council may in the future want to look at option three of creating a Town Fire Department and at what point Council would need to make that move. There are a lot of things to consider and address, one of which is deciding

to start earmarking funds to pursue. He commented that staff has only been involved for a few weeks now, and that a year ago, he would have advised an outside assessment consultant/accountant to undertake this feasibility. It is his opinion that as of this date, the Town does not have a detailed financial assessment to consider making such call. Council member Henkel stated that he also feels the Town is heading in the direction of a municipal department, but not right now, and he too would like to hear from a consultant that specializes in the financial aspect. Interim Town Manager Freeman stated that the Town has a great resolution which has language that provides the option to opt out whenever, then as part of the Town's budget process, start a plan of how many years it would take to create a Municipal Fire Department in a logical fashion and not by a gut reaction. In his opinion, the county is offering a great way to do just that. Council member Bryant agreed that the Town does not have the funding to undertake buying into a Municipal Fire Department.

Mr. Green advised that under the Rural Fire Protection General Statutes, the tax rate cannot go above 15 cents. There may be some point in the future where Troutman's growth is such and the department remains as its own tax district, it may cap at 15 cents and cannot grow anymore. Under this model, the service districts do not have a cap. Council member Bryant commented that he is optimistic that growth will bring in additional tax dollars. Mr. Green stated that his goal is to keep the model at 9 cents and going out to the year 2030, the model can be supported at that amount based on 2-3% growth evaluation each year.

Troutman Fire Chief Morris again voiced concern regarding the effects on the Fire Department and not having adequate funding to keep up with the growth in order to service the community and meet the needs. It sounds good right now, but is subject to change with any election year and how difficult is going to get the funding needed when the time comes. He stated that the department is satisfied with what they have now. Fire Chief Morris was advised by Interim Town Manager Freeman to make a request to the County Commissioners to leave the Troutman Fire District as it is.

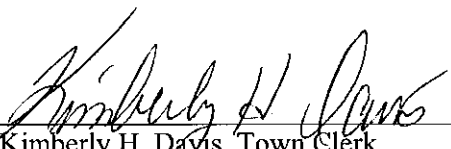
Council member Henkel recommended that a study be pursued by an outside consulting firm while opting in with the proposed All-County Fire District with an option to opt out in so many years in the future for creation of a Municipal Fire Department.

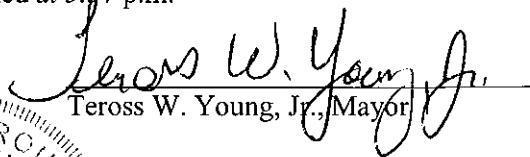
In summary, Mayor Young stated that the County is asking for a decision/Resolution by November 30, 2019. He agreed that Council needs to consider the option of moving toward a municipal department providing direction to the County as to where the Town is going. He asked for Council to review their options stating he is open to a motion.

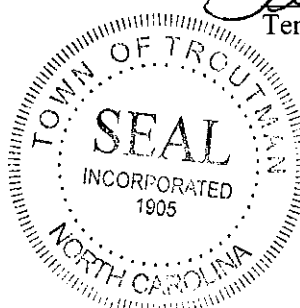
*Upon motion by Councilmember Huffman, seconded by Councilmember Henkel, and unanimously carried, Resolution 14-19 titled: Town of Troutman Resolution-Iredell County Fire Service District Inclusion was approved

ITEM 5. ADJOURNMENT

*Upon motion by Council member Huffman, and seconded by Council member Bryant, and unanimously carried, Called Meeting of November 19, 2019 was adjourned at 5:57 p.m.


Kimberly H. Davis, Town Clerk


Teross W. Young, Jr., Mayor



(*) Motion